

Economic Analysis of Category I: Projects

**SUMMIT AERONAUTICS GROUP: BENEFITS TO MONTANA**

Once the Summit Aeronautics Group expansion is completed and fully staffed at 40 workers, another 74 jobs will be supported due to its operation. All of these jobs include benefits. In addition, 64 construction jobs were needed to complete 50,000 square feet expansion to its current plant located at the Helena Airport.

During the expansion phase, over \$1.5 million was potentially paid out as employee compensation. The potential individual income taxes paid would total over \$60,000. Once the expansion is completed and the new staff added, over \$5 million in salaries will be paid. Potential annual individual income taxes paid would total nearly \$205,000

Phase	Employees	Compensation	Income Taxes
Construction	64	\$1,512,792	\$ 60,058
Operation	40 + 74	\$5,157,636	\$204,758
TOTAL	178	\$6,670,428	\$264,816

In total, the Montana Department of Commerce provided Summit with \$400,000 in assistance. Of that total, \$200,000 came from the Worker Training Grant program. Two hundred thousand dollars was provided by the Big Sky Economic Development Trust Fund.

Besides individual income taxes, the State of Montana and Lewis and Clark County will receive over nearly \$110,000 in other taxes from Summit<sup>1</sup>.

Montana's investment of \$400,000 to aerospace manufacturing company will be recovered by the time the new expansion has been in operation for slightly two years.

	Year 1	Year 2	Year 3
Assistance	\$400,000		
Construction		\$60,058	
Operation			
- Income tax			\$204,758
- Other Taxes			\$110,000
TOTAL	\$400,000	\$60,058	\$314,761

<sup>1</sup> Due to confidentiality issues, individual state and county taxes are not reported.

## DIRECTV: BENEFITS TO MONTANA

Once the DirecTV call center is completed and fully staffed at 950 workers, another 522 jobs will be supported due to its operation. All of these jobs include benefits. In addition, 323 jobs were needed during the construction of the building. Finally, up to 46 jobs could be supported by the training money alone provided by the Department of Commerce Workforce Training Grant program.

During the construction phase, over \$8 million was potentially paid out as employee compensation. The potential individual income taxes paid would total over \$330,000. Once the Call Center becomes operational and fully staffed, nearly \$51 million in salaries will be paid. Potential annual individual income taxes paid would total over \$2.2 million.

Phase	Employees	Compensation	Income Taxes
Construction	323	\$8,321,010	\$330,344
Operation	950 + 522	\$50,581,935	\$2,209,730
TOTAL	1,795	\$58,902,945	\$2,540,074

In total, the Montana Department of Commerce provided DirecTV with \$2,865,000 in assistance. Of that total, \$1,955,000 came from the Worker Training Grant program. Four hundred thousand dollars was provided by the Community Development Block Grant – Economic Development program and \$460,000 from the Big Sky Economic Development Trust Fund.

Besides individual income taxes, the State of Montana will receive over \$286,000 in potential corporate income taxes from DirecTV. Missoula County will receive the approximately \$200,000 annual beneficial use tax and \$100,000 annual business equipment tax.

Montana's investment of nearly \$3 million to the satellite company will be recovered in a little over 2 years once the Call Center is fully operational.

	Year 1	Year 2	Year 3	Year 4
Assistance	\$2,865,000			
Construction		\$330,344		
Operation				
- Income tax			\$2,209,730	\$2,209,730
- Corporate Taxes			\$286,335	\$286,335
- County taxes				\$300,000
TOTAL	\$2,865,000	\$330,344	\$2,496,068	\$2,796,069

## CDI BUSINESS SOLUTIONS: BENEFITS TO MONTANA

Once the CDI Business Solutions facility is fully staffed at 40 workers, another 45 jobs will be supported due to its operation. All of the CDI jobs include benefits. These 85 workers would pay nearly \$170,000 in individual income taxes.

Phase	Employees	Compensation	Income Taxes
Operation	40 + 45	\$4,224,669	\$167,719

In total, the Montana Department of Commerce provided CDI Business Solutions with \$200,000 in assistance from the Big Sky Economic Development Trust Fund.

Besides individual income taxes, the State of Montana will receive approximately \$11,000 per year in potential corporate income taxes from CDI Business Solutions. In addition, CDI would pay \$2,500 in business equipment taxes.

Montana's investment of \$200,000 in CDI will be recovered in a little over one year once the Design Center is fully operational.

	Year 1	Year 2	Year 3
Assistance	\$200,000		
Operation			
- Income tax		\$167,719	\$167,719
- Corporate Taxes		\$11,000	
- Business Equipment		\$2,500	\$11,000
			\$2,500
<b>TOTAL</b>	<b>\$200,000</b>	<b>\$181,221</b>	<b>\$181,222</b>

## **Category II: Planning Grants**

Category II projects are made to Certified Regional Development Corporations (CRDCs) or other eligible economic development organizations.

### **Safflower Technologies Incorporated LLC** **\$10,000**

Grant was awarded to Eastern Plains RC&D for an analysis and report of the most efficient oilseed equipment, plan capabilities and infrastructure requirements for a specialty oilseed processing facility in Montana.

### **Chippewa Development Corporation / Tribal Capitol** **\$10,000**

Grant was awarded to Sweetgrass Development Corporation to support the development of the Chippewa Development Corporation and the completion of a business plan for the proposed Tribal Capitol and Visitor Center for the Little Shell Chippewa Tribe.

### **Tire Depot Feasibility Study** **\$ 5,700**

Grant was awarded to Lake County Community Development Corporation for a feasibility study to determine options for tire recycling operation to expand into other markets - would include economic analysis of rubber crumb markets, manufacturing cost structure, and supply availability.

### **Big Sky Biodiesel - Design/Site Analysis** **\$10,000**

Grant was awarded to Eastern Plains RC&D to assist Big Sky Biodiesel for design consultation and site analysis to determine the infrastructure requirements for a new biodiesel refinery in Glendive, Montana.

### **Wind Energy Farm Feasibility Study** **\$10,000**

Grant was awarded to Eastern Plains RC&D to assist with a technical analysis and study to determine project feasibility for a potential wind energy farm in Dawson and McCone Counties.

### **Double D Motel & Truck Plaza - Expansion Feasibility Study** **\$ 6,800**

Grant was awarded to Southeastern Montana Development Corporation for a feasibility study to determine the economic viability of the development of the Double D Motel and Truck Plaza near Broadus, Montana.

### **HUB Economic Resource Catalogue for Glendive & Dawson County** **\$7,500**

Grant was awarded to Eastern Plains RC&D to support the development of an economic development resource catalogue for Glendive and Dawson County.

### **"A Plumm Summer" Film Assistance** **\$25,000**

Grant to Northern Rocky Mountain RC&D to provide financial and technical assistance to Fairplay Pictures to produce and film the family picture "Plumm Summer" in Gallatin & Park Counties.

**West Yellowstone Higher Education Feasibility Study**

**\$14,500**

Grant to Northern Rocky Mountain RC&D to develop a feasibility study to determine the best course of action for expanding and diversifying West Yellowstone's economy through higher education opportunities.

**Southwest Montana Community Marketing Plans**

**\$20,000**

Grant to Gateway Economic Development Corporation to support East Helena, Lincoln, Townsend and White Sulphur Springs (White Sulphur Springs later withdrew) in community marketing efforts.

**MERDI Telecast of Sports/Activities - Business Plan**

**\$10,400**

Grant to Headwaters RC&D for business plan for a new cable television program for Frontier Conference Sporting events.

**Ranchland Packing - Feasibility Study & Business Plan**

**\$14,922**

Grant to Headwaters RC&D to support development of a feasibility study, business plan and wastewater engineering study for the expansion of Ranchland Packing.

**Entrepreneurship Center**

**\$13,500**

Grant to Ravalli County EDA to create a business plan for entrepreneur center - facility would enable scientists and entrepreneurs to build their businesses within a collaborative community with access to cutting edge laboratories, and business services.

**Assisted Living Center in Lima – Preliminary Architectural Report**

**\$10,000**

Grant to Headwaters RC&D support development of a demographic study, preliminary architectural report and business plan for an Assisted Living Center in Lima.

**Growth Policy/BID Redevelopment Plan for Big Sandy**

**\$15,000**

Grant to Bear Paw Development Corporation for development of a Growth Policy and Central Business Redevelopment Plan for the Town of Big Sandy.

**Missoula County Technology District Development**

**\$50,000**

Grant to Missoula Area EDC to support the development of the Technology District as well as coordinating activities related to the DIRECTV and Technology District projects in Missoula County.

**Fiber Roll Manufacturing Feasibility Study**

**\$ 9,500**

Grant to Snowy Mountain Development Corp for the development of a feasibility study for a fiber roll manufacturing facility in Fergus County.

**Beaverhead County Beef Feasibility**

**\$19,000**

Grant to Headwaters RC&D for the development of a feasibility study and business plan for a beef processing facility in Beaverhead County.

**Fort Peck Tribes Update Economic & Social/Human Dev. Plan** **\$13,000**

Grant to Great Northern Development Corporation for Development of Strategic Economic and Social/Human Development Plan for Fort Peck Tribes.

**Sanjel USA - Site Study** **\$15,000**

Grant to Southeastern Montana Development Corp. for Site Selection and Development Strategy to support the expansion of oil and gas company Sanjel USA.

**Comprehensive Economic Development Strategy (CEDS)** **\$15,000**

Grant to Snowy Mountain Development Corp. for development of a Comprehensive Economic Development Strategy for 6 County Region in Central Montana.

**Business Expansion and Retention (BEAR) Program** **\$15,000**

Grant to Kalispell Chamber of Commerce for development and management of a Business Expansion and Retention (BEAR) program.